

SENATE BILL 1749

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 50,  
Chapter 6, regarding principals, immediate  
contractors or subcontractors, liability and election  
of non-coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-113, is amended by adding the  
following new subsections:

(g)

(1)

(A) When a sole proprietorship or partnership fails to elect to cover  
the sole proprietor or partners under this chapter, the principal or general  
contractor is not liable under this chapter for injuries sustained by the sole  
proprietor or partners if the sole proprietors or partners are not employees  
of the principal or general contractor.

(B)

(i) A sole proprietor or the partners of a partnership who do  
not elect to be covered by this chapter and be deemed employees  
under this chapter and who deliver to the principal or general  
contractor a current certification of noncoverage issued by the  
division shall be conclusively presumed not to be covered by the  
law.

(ii) Subdivision (g)(1)(B)(i) shall not affect the rights or  
coverage of any employees of the sole proprietor or of the  
partnership.

(2) The principal or general contractor's insurance carrier is not liable for injuries to the sole proprietor or partners described in this section who have proved a current certification of noncoverage, and the carrier shall not include compensation paid by the principal or general contractor to the sole proprietor or partners described in this section in computing the insurance premium for the principal or general contractor.

(3)

(A) Any principal or general contractor who, after being presented with a current certification of noncoverage by a sole proprietor or partnership, nonetheless compels the sole proprietor or partnership to pay or contribute to workers' compensation coverage of that sole proprietor or partnership commits a Class D felony.

(B) Any principal or general contractor who compels a sole proprietor or partnership to obtain a certification of noncoverage when the sole proprietor or partnership does not desire to do so commits a Class D felony.

(C) Any applicant who makes a false statement when applying for a certification of noncoverage of any renewals thereof commits a Class D felony.

(h) A certification of noncoverage issued by the division after July 1, 2007, shall be valid for two (2) years after the effective date stated on the certification. Both the effective date and the expiration date must be listed on the face of the certificate by the commissioner. The certificate shall expire at midnight two (2) years from its issue date, as noted on the face of the certificate.

(i) The commissioner may assess a fee not to exceed fifty dollars (\$50.00) with each application for a certification of noncoverage or any renewals thereof.

(j) Any certification of noncoverage issued by the commissioner shall contain the social security number and notarized signature of the applicant. The notarization shall be in a form and manner prescribed by the commissioner.

(k) The commissioner may prescribe by rule forms and procedures for issuing or renewing a certification of noncoverage.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.